

**GOVERNMENT OF INDIA  
MINISTRY OF COMMUNICATIONS  
DEPARTMENT OF TELECOMMUNICATIONS**

**LOK SABHA  
UNSTARRED QUESTION NO. 2608  
TO BE ANSWERED ON 7<sup>TH</sup> AUGUST, 2024**

**POOR FINANCIAL HEALTH OF TELECOM SECTOR**

**2608 DR. GUMMA THANUJA RANI:**

Will the Minister of COMMUNICATION be pleased to state:

- (a) whether the Government has taken cognizance of the financial ill health of various players in the telecom sector;
- (b) if so, the details of measures taken in this regard;
- (c) if not, the reasons therefor; and
- (d) the details of proposed measures that the Government intends to take in the near future to improve financial health of the players in the telecom sector?

**ANSWER**

**MINISTER OF STATE FOR COMMUNICATIONS AND RURAL DEVELOPMENT  
(DR. PEMMASANI CHANDRA SEKHAR)**

(a) to (d) To address the issue of financial stress in the telecom sector the Government has approved various structural and process reforms in the telecom sector in September 2021. They are as below:

- i. Rationalization of Definition of Adjusted Gross Revenue.
- ii. Rationalization of Interest rates and removal of Penalties for delayed payments of License Fee (LF)/Spectrum Usage Charges (SUC).
- iii. Rationalization of Bank Guarantees.
- iv. Removal of levy of Spectrum Usage Charges (SUC) on the spectrum acquired in auctions held after September 2021.
- v. Provision for payment of Spectrum auction bids in 20 equal annual instalments for auctions held after September 2021.
- vi. Requirement of securitizing annual deferred spectrum instalment with a Financial Bank Guarantee (FBG) has been done away with in Spectrum auctions held after September 2021.
- vii. Surrender of spectrum will be permitted after 10 years for spectrum acquired auctions held after September 2021.
- viii. Moratorium/Deferment of up to four years in annual payments of dues arising out of the AGR judgment and spectrum purchased in past auctions. The moratorium is ongoing and ends in FY 2024-2025.
- ix. To encourage investment, 100% Foreign Direct Investment (FDI) under automatic route permitted in Telecom Sector with applicable safeguards.

These reforms were introduced to promote healthy competition, protect interests of consumers, infuse liquidity, encourage investment and reduce regulatory burden on Telecom Service Providers.

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